

Invoice Monitoring for Cost Reimbursement Contracts

About the Application:

Delaware Department of Health and Social Services - Division of Substance Abuse & Mental Health (DHSS DSAMH) has implemented a document management and workflow solution in DocuWare to gain better control of processes for submitting, approving and storing invoices. DocuWare automation replaces the previous manual solution where invoices were either physically scanned or being monitored from an email inbox and tracked in multiple spreadsheets from ingestion through approval.

DocuWare for Invoice Processing provides a seamless solution for invoice management by digitizing paper invoices, capturing other electronic invoices, and subsequently triggering approval workflows based on business rules to ensure accurate and rapid processing and payments.

The solution delivers many productivity benefits to the DSAMH, including the following:

- Capture, sort, and archive invoices processed into DocuWare using an easily searchable file structure.
- Extract details from all invoices, easily enter your GL accounts and cost centers with DocuWare's Intelligent Indexing.
- Approve workflows to accelerate the process based on your business rules.
- Record notes directly on the invoice image with annotation functionality.
- Maintain compliance and a complete audit trail with transparent approval history, automatic document filing and encryption.
- Maintain a secure, organized, and searchable invoice archive for audits and budget planning.

Beginning with FY24 invoices:

Starting with July 2023 invoices*, Cost Reimbursement (CR) invoices will be uploaded via FTP to DocuWare and then processed for payment. These invoices do not require submission of supporting documentation so providers will only upload the invoice cover sheet and invoice spreadsheet. To ensure proper invoicing and payments, the invoice monitoring process has been created. While providers do not need to submit supporting documentation with the invoice, such as receipts, you will need to maintain these materials as they will be required during the invoice monitoring process.

Invoice Cover Sheets and Invoice Spreadsheets **MUST** be named using the invoice number:

- Invoice Number = 'Contract Year_Provider name_service type_location_payment methodology'
- InvoiceNumber_CL (doc or pdf) = *FY24_RI_CAPAC_NCC_CR_042023_CL*
- InvoiceNumber_INV (xls) = *FY24_RI_CAPAC_NCC_CR_042023_INV*

*Invoices prior to July 2023 must be submitted through the Resource Mailbox.

Policies:

Delaware State Code is a selection of statutes, or laws, arranged by subject (titles). The State Code governs all that we do, and the following sections contain specific information related to policies and procedures for this project. <https://delcode.delaware.gov/>

DSAMH Provider Policies can be found on the DHSS website at:

<https://dhss.delaware.gov/dsamh/policies/ProviderPolicies.html>

Levels of Monitoring:

There are several levels of monitoring that will occur to ensure proper invoicing, payments, and contract compliance:

The first level of invoice monitoring is to **Review Invoice at Submission**. This is a monthly process that

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occurs when an invoice is submitted. During this review DSAMH will:

- Ensure the invoice cover letter is accurate, complete, and timely.
- Review the monthly budget spreadsheet prior to approving invoice for payment to ensure that:
 - o Monthly expenses don't exceed budgeted amounts for each line item.
 - o Compare the approved budget to the actual and projected expenses.
 - o Compare months to ensure continuity and steady expenditure of funds.

The second level is the **Cost Reimbursement Fiscal Monitoring**, or Invoice Monitoring process, which is detailed below.

The third and final level pertains only to subrecipient contracts and is the annual **Contract Monitoring** process that ensures contract compliance.

Cost Reimbursement Fiscal Monitoring

Invoice Monitoring is done in 6-month intervals to review supporting documentation and receipts to ensure invoicing has been accurate. **Exception:** When a contract includes federal grant funding, the monitoring review must be held within 90 days of the close of the federal grant. The invoice monitoring process:

- Replaces the need to include supporting documentation and receipts with every invoice submitted.
- This review will occur remotely unless an in-person visit is deemed to be necessary.
- Includes invoices based on the submission date that the provider uploaded their invoices to FTP, regardless of the service period.

OSEC will select a random sample of 20%, a minimum of 2 invoices, per contract for the previous 6-month period. For example:

Review Date	Sample Date
January 2024	July – December 2023
July 2024	January – June 2024

The Process

The OSEC Admin will inform providers of their invoice monitoring date approximately 30 calendar days in advance of the monitoring session.

Five (5) business days prior to the monitoring session, providers will get an email that includes:

- Date of review and the deadline for submission of supporting documentation.
- The list of invoices that will be reviewed.
- Instructions on what materials to submit and how to submit them.

Preparing for your visit and What to Expect

Once providers receive the list of invoices for review, they will assemble the required documentation and ensure they are readily available for the OSEC Admin Team by the monitoring session date.

Required documentation will include, but not be limited to: Invoices, Backup documentation, Receipts for line-item budgeted expenses, Monthly personnel expenses to ensure cost-allocation is correct and

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appropriately invoiced to DHSS.

OSEC Admin will review and confirm the following is accurate and appropriate: Invoice date, Invoice Amount, Contract Number, and verify receipts are collected and accounted for.

Following the review, providers will receive a notice of the outcome of the monitoring session. This notice will be sent to the distribution email list previously supplied for DocuWare with feedback that includes: Date of review, summary of invoices reviewed, findings (if any), and/or corrective action required.

Following the review, providers will receive an email to (provider point of contact/distribution list from DocuWare and signer of the contract) with feedback that includes the date of review, a summary of invoices reviewed, feedback/findings.

Outcomes

There are several possible outcomes from the monitoring process:

Administrative Errors: Administrative errors are minor discrepancies.

- Examples of these errors include Incorrect forms, missing information on invoice documentation, miscalculations.
- Possible responses to Administrative Errors may include re-education, additional supportive assistance with the invoice submission process, resending a corrected copy of invoice to fiscal review team.
- If there are repeat administrative errors, the provider will be asked to submit a corrective action plan within 30 days of the notice of findings.

Operational Errors: Operational errors are major discrepancies.

- Examples of these errors include missing receipts, including unallowable expenses, billing for staff inappropriately.
- In addition to re-education and additional supportive assistance with the invoice submission process, the response to operational errors would be for providers to send a corrected copy of the invoice along with corrective action plan within 30 days of the notice of findings.
- When submitting a corrected invoice following the monitoring process, both the invoice cover letter and invoice spreadsheet must be included, and the filenames must indicate that the invoice has been adjusted, as shown in BOLD below:

InvoiceNumber_CL (doc or pdf) = FY24_RI_CAPAC_NCC_CR_042023_CL **ADJUSTED**
InvoiceNumber_INV (xls) = FY24_RI_CAPAC_NCC_CR_042023_INV **ADJUSTED**

For either type of error, if an Overpayment is found, the provider will be required to repay the funds via check. If an underpayment is found, the provider will resubmit an adjusted invoice and DSAMH will pay the provider. The reason for the overpayment or underpayment dictates the type of error (miscalculation is Administrative whereas billing inappropriately is Operational).

Corrective Actions: Possible corrective actions may include:

- Require submission of all supporting documentation with all invoices
- Additional monitoring sessions will be scheduled